

APR 14 '08 -2 30 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A LESTER

April 14, 2008

Anne K. Quinlan, Esquire  
Acting Secretary  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D.C. 20423-0001

Dear Ms. Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease Agreement, dated as of April 14, 2008, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Master Lease Agreement previously filed with the Board under Recordation Number 20342.

The names and addresses of the parties to the enclosed document are:

Lessor: U.S. Bancorp Equipment Finance, Inc.  
13010 SW 68<sup>th</sup> Parkway  
Portland, OR 97223

Lessee: Dakota, Minnesota & Eastern Railroad  
Corporation  
140 N. Phillips Ave.  
Sioux Falls, SD 57101

Anne K. Quinlan, Esquire  
April 14, 2008  
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A description of the railroad equipment covered by the enclosed document is:

99 covered hopper railcars within the series DME 51000 - DME 41102 as more particularly set forth in the attachment to the document.

A short summary of the document to appear in the index is:

Memorandum of Lease Agreement.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a long horizontal stroke extending to the right.

Robert W. Alvord

RWA/sem  
Enclosures

**Equipment Finance, Inc.**

APR 14 '08 -2 30 PM

Memorandum of Lease Agreement is ~~Surface Transportation Board~~ **FILED** 14, 2008 by and between U.S. Bancorp Equipment Finance, Inc. "Lessor", and, Dakota, Minnesota & Eastern Railroad Corporation, "Lessee".

The undersigned have entered into that certain Master Lease Agreement dated October 23, 1996, whereby the Lessor has agreed to lease to the Lessee and the Lessee has agreed to lease from the Lessor certain property as listed on Exhibit "A" attached hereto, subject to the terms defined in the Schedule (Number 13440-001-0018468-002), dated April 14, 2008.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed as of the date and year first above written.

Lessor:  
U.S. Bancorp Equipment Finance, Inc.

Lessee:  
Dakota, Minnesota & Eastern Railroad Corporation

BY: [Signature]  
An Authorized Officer

BY: \_\_\_\_\_  
Kurt V. Feaster  
Senior Vice President/Chief Financial Officer

Executed on this 14 day of April, 2008.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

STATE OF Oregon  
County of Washington )SS.

STATE OF \_\_\_\_\_ )  
County of \_\_\_\_\_ )SS.

On April 14, 2008 personally appeared before me, [Signature], who being duly sworn, stated that he/she is the Vice President of U.S. Bancorp Equipment Finance, Inc., acknowledged the foregoing instrument as voluntary act and deed of the Company by virtue of authority from its Board of Directors.

On \_\_\_\_\_, \_\_\_\_\_ personally appeared before me, \_\_\_\_\_, who being duly sworn, stated that he/she is the \_\_\_\_\_ of Dakota, Minnesota & Eastern Railroad Corporation, acknowledged the foregoing instrument as voluntary act and deed of the Company by virtue of authority from its Board of Directors.

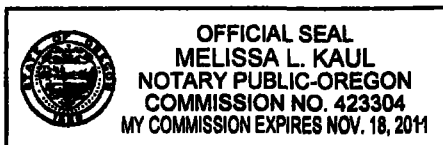
Before me:

Before me:

[Signature]  
Notary Public for Oregon  
My Commission Expires: 11/18/2011

\_\_\_\_\_  
Notary Public for \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

6/00



**Equipment Finance, Inc.**

Memorandum of Lease Agreement is made and entered into on April 14, 2008 by and between U.S. Bancorp Equipment Finance, Inc. "Lessor", and, Dakota, Minnesota & Eastern Railroad Corporation, "Lessee".

The undersigned have entered into that certain Master Lease Agreement dated October 23, 1996, whereby the Lessor has agreed to lease to the Lessee and the Lessee has agreed to lease from the Lessor certain property as listed on Exhibit "A" attached hereto, subject to the terms defined in the Schedule (Number 13440-001-0018468-002), dated April 14, 2008.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed as of the date and year first above written.

**Lessor:**  
U.S. Bancorp Equipment Finance, Inc.

**Lessee:**  
Dakota, Minnesota & Eastern Railroad Corporation

BY: \_\_\_\_\_  
An Authorized Officer

BY: Kurt V. Feaster  
Kurt V. Feaster  
Senior Vice President/Chief Financial Officer

Executed on this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

Executed on this 10 day of Apr, 20 08.

STATE OF \_\_\_\_\_ )  
 )SS.  
County of \_\_\_\_\_ )

STATE OF South Dakota )  
 )SS.  
County of Minnehaha )

On \_\_\_\_\_, \_\_\_\_\_ personally appeared before me, \_\_\_\_\_, who being duly sworn, stated that he/she is the \_\_\_\_\_ of U.S. Bancorp Equipment Finance, Inc., acknowledged the foregoing instrument as voluntary act and deed of the Company by virtue of authority from its Board of Directors.

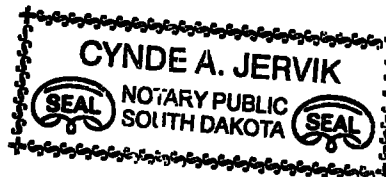
On April 10, 2008 personally appeared before me, Kurt V. Feaster, who being duly sworn, stated that he/she is the CEO of Dakota, Minnesota & Eastern Railroad Corporation, acknowledged the foregoing instrument as voluntary act and deed of the Company by virtue of authority from its Board of Directors.

Before me:

Before me:

Notary Public for \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

Cynde A. Jervik  
Notary Public for South Dakota  
My Commission Expires: 6-15-12



**Exhibit "A"**  
**TO MEMORANDUM OF LEASE AGREEMENT**

**Ninety Nine (99) 1996 Built 5161 cf covered hopper railcars, Serial Numbers as follows;**

DME 51000	DME 51020	DME 51041	DME 51064	DME 51084
DME 51001	DME 51021	DME 51042	DME 51065	DME 51085
DME 51002	DME 51022	DME 51043	DME 51066	DME 51086
DME 51003	DME 51023	DME 51044	DME 51067	DME 51087
DME 51004	DME 51024	DME 51048	DME 51068	DME 51088
DME 51005	DME 51025	DME 51049	DME 51069	DME 51089
DME 51006	DME 51026	DME 51050	DME 51070	DME 51090
DME 51007	DME 51028	DME 51051	DME 51071	DME 51091
DME 51008	DME 51029	DME 51052	DME 51072	DME 51092
DME 51009	DME 51030	DME 51053	DME 51073	DME 51093
DME 51010	DME 51031	DME 51054	DME 51074	DME 51094
DME 51011	DME 51032	DME 51055	DME 51075	DME 51095
DME 51012	DME 51033	DME 51056	DME 51076	DME 51096
DME 51013	DME 51034	DME 51057	DME 51077	DME 51097
DME 51014	DME 51035	DME 51058	DME 51078	DME 51098
DME 51015	DME 51036	DME 51059	DME 51079	DME 51099
DME 51016	DME 51037	DME 51060	DME 51080	DME 51100
DME 51017	DME 51038	DME 51061	DME 51081	DME 51101
DME 51018	DME 51039	DME 51062	DME 51082	DME 51102
DME 51019	DME 51040	DME 51063	DME 51083	

**TOGETHER WITH ALL REPLACEMENTS, PARTS, REPAIRS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO AND ANY AND ALL PROCEEDS OF THE FOREGOING, INCLUDING, WITHOUT LIMITATION, INSURANCE RECOVERIES.**